

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2546 – SB 2525

January 27, 2010

SUMMARY OF BILL: Expands the transactions included in the worthless check law to include payments for housing and lodging. Violations are determined by the dollar amount of the property or services obtained and range from Class A misdemeanor to Class B felony.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$57,200/Incarceration*

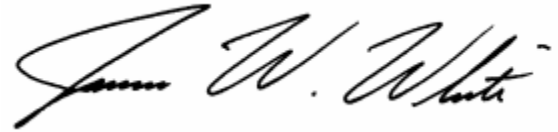
Assumptions:

- According to the Department of Correction (DOC), the average operating cost per offender per day for calendar year 2010 is \$59.86.
- According to DOC, there has been an average of four admissions for writing worthless checks with a value of \$500 to \$1,000 in each of the past 10 years. DOC estimates 10 percent would be for housing and lodging and would result in one additional Class E felony conviction every other year.
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. No significant incarceration cost increase will occur due to population growth in this period.
- The maximum cost in the tenth year, as required by Tenn. Code Ann. § 9-4-210, is based on one offender every other year. According to DOC, the average post-conviction time served for a Class E felony is 1.31 years (478.48 days). The annualized cost per conviction is \$14,320.91 (0.50 annual number of convictions x 478.48 days x \$59.86).
- There has been an average of 12 admissions for writing checks with a value of \$1,000 to \$10,000 in each of the past 10 years. DOC estimates five percent would be for housing and lodging and would result in one additional Class D felony conviction.
- According to DOC, the average post-conviction time served for a Class D felony is 1.96 years (715.89 days). The additional operating cost for one additional Class D felony is \$42,853.18 (\$59.86 x 715.89 days).
- The total additional operating cost is \$57,174.09 (\$42,853.18 + \$14,320.91).

*Tennessee Code Annotated, Section 9-4-210, requires that: *For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated from recurring revenues shall be based upon the highest cost of the next 10 years.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

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